PRIVY COUNCIL REPORTS

STAR INDUSTRIAL COMPANY LTD. v. YAP KWEE KOR trading as NEW STAR INDUSTRIAL COMPANY

[Privy Council (Lord Diplock, Lord Kilbrandon and Lord Edmund-Davies) January 26, 1976]
[Privy Council Appeal No. 11 of 1974]

Passing-off — Get-up of boxes of plastic toothbrushes — Not registered as trade mark — Company manufacturing toothbrushes ceasing to export toothbrushes into Singapore — Person in Singapore adopting get-up indistinguishable from that used by company — Invasion of right of property in business or goodwill — Company ceasing to have proprietary rights in Singapore.

Trade Marks — Protection of — Trade Marks Act (Cap. 206).

The appellant company which was incorporated in Hongkong had manufactured plastic toothbrushes which were packed for sale with a characteristic get-up. Between 1953 and 1965 substantial quantities of the toothbrushes were exported to Singapore. The company did not however register the characteristic get-up of its goods or any part of it as a trade mark in Singapore. In October 1965 the Government of Singapore imposed an import duty upon toothbrushes and after that date no toothbrushes of the Hongkong company's manufacture was exported to Singapore. In 1968 the respondent, who had been manufacturing toothbrushes in Singapore since 1966, changed the business name under which he was trading to "New Star Industrial Company" and adopted for his products a get-up indistinguishable from that formerly used by the Hongkong company. The Hongkong company in 1971 issued a writ of summons claiming an injunction to restrain the respondent from passing off his toothbrushes as being toothbrushes of the Hongkong company's manufacture. The action was dismissed in the High Court and in the Court of Appeal and the appellant company appealed to the Privy Council.

Held, dismissing the appeal; (1) a passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person's goods as the goods of another;

(2) once the appellant company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietory right in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country;

(3) the Trade Marks Act in Singapore confers rights only in respect of registered trade marks and the courts cannot extend the rights to cover the user of unregistered marks or get-up.

Cases referred to:-

(1) *Certli* A.G. v. *Bowman (London) Ltd.* [1957] R.P.C. 388 at p. 397.
(2) *Spalding & Bros.* v. *A.W. Gamage Ltd.* (1915) 32 R.P.C. 284.
(3) *Samuelson* v. *Producers Distributing Co. Ltd.* [1931] 3 All E.R. Rep. 74 at p. 81.
(4) *Draper* v. *Trist* [1939] 3 All E.R. 512 at p. 526.
(5) *Burberrys* v. *Cording* (1900) 26 R.P.C. 693.
(6) *Commissioners of Inland Revenue* v. *Miller & Co.'s Margarine Ltd.* [1901] A.C. 217.
(7) *R.J. Reuter Co. Ltd.* v. *Mulhens* (1953) 70 R.P.C. 235.
(8) *Sinclair's Case* (1932) 49 R.P.C. 123.
(9) *Leather Cloth Co. Ltd.* v. *American Leather Cloth Co. Ltd.* (1865) 11 H.L.C. 524.
(10) *Lacteosote Ltd.* v. *Alberman* [1927] 2 Ch. 117, at p. 131.
(11) *Mouson* v. *Boehm* (1884) 26 Ch. D. 398.
(12) *Warwick Tyre Company Ltd.* v. *New Motor and General Rubber Co. Ltd.* [1910] 1 Ch. 248; 27 R.P.C. 161; 101 L.T. 889.

PRIVY COUNCIL APPEAL FROM SINGAPORE.

A. J. Balcombe Q.C. and *R. Lunzer* for the appellants.

Douglas Falconer Q.C. and *David Young* for the respondents.

In the court of the first instance (Suit No. 102 of 1971) *A. C. Fergusson* appearing for the plaintiffs and *L. A. J. Smith* for the defendant, the following judgment was delivered on April 19, 1973:

Choor Singh J.: This action is brought to restrain the defendants from passing-off tooth-brushes not of the manufacture of the plaintiffs as and for the tooth-brushes of the plaintiffs.

The circumstances giving rise to the action are these. In the year 1953 one J. H. Leung residing in Hong Kong and trading there under the name of "Star Brush Manufacturing Co." started manufacturing in Hong Kong tooth-brushes which were packed in packets which were divided diagonally into two parts, the top part consisting of white transparent cellophane paper and the bottom half of plain hard paper with a silver background with the words "ACE BRAND TOOTH BRUSH" together with the symbol of the letter "A" enclosed with a red circle embossed thereon. These tooth-brushes were first imported in Singapore in 1953 and they were mostly for re-export to Indonesia and the other surrounding territories although there were some local sales as well. The "Ace" trade mark was not registered in Singapore and has never been registered here.

In 1961 Leung's tooth-brush business was taken over by a new company which was incorporated and registered under the Hong Kong Companies Act under the name of "Star Industrial Co. Ltd." Leung became a major shareholder of this company and its managing director. This company took over the manufacture of the "ACE Brand" tooth-brushes which they exported to Singapore and Leung's Star Brush Manufacturing ceased manufacturing such tooth-brushes.

It is here relevant to note two significant facts that occurred at this time. First, although Leung was the managing director and the major shareholder of the Star Industrial Co. Ltd. which now manufactured and exported the "ACE Brand" tooth-brushes, Leung retained personal ownership of the "ACE Brand" mark. Secondly, although the "ACE Brand" tooth-brushes were now manufactured and exported by the Star Industrial Co. Ltd. these tooth-brushes continued to be packed and exported in packets labelled "Star Brush Manufacturing Co."

In 1963 the "ACE Brand" was registered as a trade mark in Hong Kong not by the plaintiff company which was then using this mark on tooth-brushes manufactured by it, but by the Star Brush Manufacturing Co. of which Leung was still the sole proprietor and which no longer manufactured any tooth-brushes.

In October 1965 the Singapore Government imposed a tariff of 15 cents per tooth-brush on all tooth-brushes imported into Singapore and the plaintiffs thereafter stopped exporting their tooth-brushes to Singapore as they could not be sold with profit.

In 1968 the plaintiff company entered into negotiations with some merchants in Singapore with the view of starting a joint venture in Singapore for manufacturing the "ACE Brand" tooth-brushes. These negotiations resulted in the incorporation in Singapore of the Star Plastics Industrial Co. (Pte.) Ltd. with a capital of $1,200,000 of which $168,000 was subscribed by the plaintiff company. The plaintiff company supplied the "know-how" and sent from Hong Kong moulds for the production of tooth-brushes and they also sent technicians and a production manager to supervise the manufacture of tooth-brushes and plastic wares. The plaintiff company also persuaded Leung in 1968 to assign to the plaintiff company the "ACE Brand" trade mark registered in Hong Kong which he did gratis.

In 1969 the Star Plastics Industrial Co. (Pte.) Ltd. started manufacturing in Singapore the "ACE Brand" tooth-brushes and on the 3rd December 1969 they applied to the Registrar of Trade Marks in Singapore for the registration of the "ACE Brand" trade mark. The Registrar objected to the registration of the "ACE Brand" trade mark because of the prior registration of the "AGE" trade mark by the defendant company.

What had happened was that after the imposition of tariffs upon the import of tooth-brushes into Singapore, all Singapore dealers had stopped importing "ACE Brand" tooth-brushes from Hong Kong. In 1968 the defendant who was originally trading as Yap Trading Co. changed the name of his business to that of "New Star Industrial Co." and started manufacturing tooth-brushes which he sold under the brand name of "AGE" which he registered as a trade mark with the Registry of Trade Marks in Singapore. So, when the Star Plastics Industrial Co. (Pte.) Ltd. applied in December 1969 to register the "ACE" trade mark, the Registrar took the view that the registered mark "AGE" was likely to be infringed by the "ACE" trade mark and he refused its registration. Nothing happened for about a year and then in 1971 the plaintiff company commenced this action claiming that the defendant was passing-off his tooth-brushes as the tooth-brushes of the plaintiff company. They also commenced Originating Summons No. 2 of 1971 wherein they claimed rectification of the register of Trade Marks and the removal of the defendant's trade mark from the register. Both these proceedings have been consolidated and the rectification of the register will depend on the result of this action.

All the wholesalers called by the plaintiffs to give evidence on their behalf admitted that upon the imposition by the Singapore Government in October 1965 of tariffs on the import of tooth-brushes, they stopped importing ACE tooth-brushes from Hong Kong. Leung claimed that a small quantity was exported to Singapore in 1966 and 1967. There is no independent evidence to support this claim and I am therefore unable to accept it. On the evidence before me I hold that after 1965, the "ACE Brand" tooth-brushes were not imported into Singapore.

It is also clear from the evidence that all "ACE brand" tooth-brushes imported into Singapore prior to the imposition of the tariffs had the label "Star Brush Manufacturing Co." on their packets. However, Leung claimed that from January 1964 the "ACE Brand" tooth-brushes imported into Singapore had on their packets the name of the plaintiff company i.e. Star Industrial Co., Ltd. There is again no independent evidence to support this assertion. No one in Singapore was called to support this claim by Leung. If what Leung stated was true then the wholesalers who imported tooth-brushes in 1964 and the retailers who sold them to the public in Singapore could have testified to the truth of Leung's contention. There is no such evidence before the court. In my opinion Leung was not speaking the truth and I therefore reject his contention. I find it as a fact that all "ACE Brand" tooth-brushes sold in Singapore prior to the imposition of the tariffs carried the label "Star Brush Manufacturing Co." on their packets.

These are the facts upon which I will now proceed to determine this case. A large number of authorities were cited by both counsel, but in my opinion this dispute is easily resolved if one comprehends clearly the true basis of a passing-off action.

In so far as imitation of get-up is concerned, the gist of the action for passing-off is this. The plaintiff by using and making known a particular get-up in relation to his goods, and thus causing it to be associated exclusively with his goods, acquires a quasi-proprietary right to the exclusive use of the get-up in relation to goods of that kind. And this right is invaded by any person who, by using some deceptively similar get-up in relation to other goods of that kind but not of the plaintiff's manufacture, induces customers to buy from him such other goods as goods of the plaintiff's manufacture, thereby diverting to himself orders intended for and rightfully belonging to the plaintiff. That is the view expressed by Jenkins L.J. in *Oertli A.G.* v. *Bowman (London) Ltd.*[1] at page 397.

The basis of the proceedings in a passing-off action is the protection of rights of property affecting the plaintiff's trade for there is no right of action where there is no interference with the plaintiff's trade. The view that the law intervenes to protect rights of property is clearly supported by the observations of Lord Parker in *Spalding & Bros.* v. *A. W. Gamage Ltd.*,[2] at page 284.

> "There appears to be considerable diversity of opinion as to the nature of the right, the invasion of which is the subject of what are known as passing-off actions. The more general opinion appears to be that the right is a right of property. This view naturally demands an answer to the question — property in what? Some authorities say, property in the mark, name or get up improperly used by the defendant. Others say, property in the business or goodwill likely to be injured by the misrepresentation. Lord Herschell in *Reddaway* v. *Banham*, [1896] A.C. 199 expressly dissents from the former view; and if the right invaded is a right of property at all, there are, I think, strong reasons for preferring the latter view."

The same view is supported by the statements of Romer L.J., in *Samuelson* v. *Producers' Distributing Co., Ltd.*,[3] at page 81 and of Goddard L.J. in *Draper* v. *Trist*,[4] at page 526, where he says: —

> "In passing-off cases, however, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business."

In *Burberrys* v. *Cording*,[5] Parker J. summarised the principles of law applicable, in the following passage, at page 701: —

"The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade mark, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other's injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but property in the trade or goodwill which will be injured by its use...."

In *Commissioners of Inland Revenue* v. *Muller & Co.'s Margarine Ltd.*,[6] in discussing goodwill, Lord Macnaghten said, at page 223: —

"Goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business and the goodwill perishes with it though elements remain which may perhaps be gathered up and be revived again."

And Lord Lindley added: —

"Goodwill regarded as property has no meaning except in connection with some business, trade or calling.... In this wide sense goodwill is inseparable from the business to which it adds value, and, in my opinion, exists where the business is carried on. Such business may be carried on in one place or country... or in several and if in several, there may be several businesses each having a goodwill of its own."

It follows from all these authorities that a passing-off action is an action dealing with damage to a currently operating business or one which would be operated or could be operated but for extraneous factors beyond the control of the owner of the business. See *R. J. Reuter Co. Ltd.* v. *Mulhens*.[7] In a passing-off action it must be shown that at the time of the Writ there is a trade or goodwill by the plaintiff in the article in question currently in existence to be protected.

Although the plaintiffs claim that this is a passing-off action, their claim is in substance based on an unregistered trade mark and their real complaint is that the defendants have infringed their unregistered trade mark. The "ACE" mark is not registered in Singapore under the Trade Marks Act (Cap. 206). It is therefore necessary to ascertain what are the rights, if any, of an unregistered trade mark. A trade mark as such, since the coming into force of the Trade Marks Ordinance in 1938, now known as the Trade Marks Act (Cap. 206, hereinafter referred to as the Act) can be the subject of a statutory right so that any person using the trade mark or a colourable imitation of it can be restrained by an injunction and is liable under the Act to damages for his use *per se* irrespective of damage to business or goodwill. This is a totally new right unknown to the law prior to the passing of the Act. Section 49 of the Act provides that unless the mark is registered, no action can be maintained to prevent or recover damages for the use by another of the mark or a colourable imitation thereof.

An unregistered trade mark cannot be validly assigned unless the whole of the goodwill in the business in which the mark is used is assigned at the same time. See *Sinclair's* case,[8] See also *Leather Cloth Co. Ltd.* v. *American Leather Cloth Co. Ltd.*,[9] which is referred to in *R. J. Reuter Co. Ltd.* v. *Mulhens, supra*, as "authority for the proposition that a purchaser of a mark becomes owner of it only if he becomes at the same time purchaser of the manufactory or the business concerned in the goods to which the mark has been affixed."

It is true that under section 42 of the Act it is now possible to effectually assign a mark not together with the whole business of origin of the mark but this competency is confined to registered trade marks. Unregistered trade marks can be so assigned only if "at the time of the assignment of the unregistered trade mark it is or was used in the same business as a registered trade mark, and if it is or was assigned at the same time and to the same person as that registered trade mark and in respect of goods all of which are goods in relation to which the registered trade mark is or was used in that business and in respect of which that registered trade mark is or was assigned." See section 42(3) of the Act.

Furthermore "even in the case of what are sometimes referred to as common law trade marks, the property, if any, of the so-called owner is in its nature transitory, and only exists so long as the mark is distinctive of his own goods in the eyes of the public" per Lord Parker in *Spalding and Brothers* v. *A. W. Gamage, Ltd.*,[2] at page 284.

When these principles of law are applied to the facts of this case, it will be seen that the plaintiff's claim fails on a number of grounds.

First, the evidence, in my opinion, is inadequate to establish any goodwill or property of the plaintiffs in Singapore in respect of the "ACE Brand" tooth-brush. To establish a reputation in it they must prove that a sufficiently large quantity was sold in Singapore. The figures given are of exports from Hong Kong to Singapore and the plaintiffs concede that these tooth-brushes were mainly for re-export to Indonesia, Malaysia and Australia. They have made a clear-cut admission that they have no figures of actual sales in Singapore. They have called no retailers. The figures given are meaningless because the plaintiffs' main witness admits that the tooth-brushes came to Singapore for redistribution to other countries. In my judgment the plaintiffs have failed to prove that prior to 1965 they had sold in Singapore sufficient tooth-brushes under the "ACE Brand" mark to establish a reputation in it and their claim therefore fails.

It is apparent that rights in respect of unregistered trade marks arise in consequence of facts. One of the facts is the reaction of ordinary members of the public when they see a trade mark on goods. The reputation of the "ACE Brand" mark was associated in the public mind with the Star Brush Manufacturing Co. because all such tooth-brushes imported into Singapore from Hong Kong prior to the imposition of the tariff were sold in packets labelled "Star Brush Manufacturing Co." If there was any property or goodwill in Singapore up to 1965 in respect of the "ACE Brand" tooth-brushes, it was distinctive of and belonged to the Star Brush Manufacturing Co. It follows therefore that the plaintiff company never had any property or goodwill in Singapore in respect of the "ACE Brand" tooth-brushes and their claim therefore fails.

The use of the "ACE Brand" mark on the plaintiff company's tooth-brushes imported into Singapore was clearly deceptive. This unregistered mark was being used not in connection with the goods of Leung, the proprietor of this mark, but on goods of someone else. By selling their "ACE Brand" tooth-brushes in Singapore in packets labelled "Star Brush Manufacturing Co." the plaintiffs were making a false representation that their tooth-brushes were the tooth-brushes of the Star Brush Manufacturing Co. which they were not. The plaintiff company by using the "ACE Brand" on their tooth-brushes in the manner in which they did, were passing-off their toothbrushes as those of the Star Brush Manufacturing Co. This deceptive action which was quite clearly contrary to public policy gave them no rights of property or goodwill in respect of the "ACE Brand" mark in Singapore. See *Lacteosote, Ltd.* v. *Alberman*,[10] at page 131, where Clauson J. observed: —

"... It would seem to be reasonable and it is, in my judgment, the law that a mark ceases to be a good mark if, owing to the action of the registered owner, it becomes deceptive: see *In re Hotpoint Electric Heating Co.* (1921) 38 R.P.C. 63. I do not see why a mark should not cease to be a good mark if it is assigned in such a way as to enable the transferee to use it, so as to represent something other than that which the mark represented in the hands of the transferor: see *Pinto* v. *Badman*, 8 R.P.C. 181."

By allowing the plaintiff company to use his "ACE Brand" mark on tooth-brushes not manufactured by him or by his Star Brush Manufacturing Co. Leung destroyed any goodwill or property that he may have had in Singapore in respect of the said mark. See *Lacteosote, Ltd.* v. *Alberman, supra.*

The purported assignment of the "ACE Brand" mark by Leung to the plaintiff company in 1968 was invalid because he did not assign at the same time the whole of the goodwill in the "manufactory or business concerned in the goods to which the mark had been fixed". In 1968 Leung had no manufactory or business in "ACE Brand" tooth-brushes which he could assign. His Star Brush Manufacturing Co. had stopped manufacturing tooth-brushes as far back as 1961 and as already stated any goodwill or property rights that he had in Singapore in respect of the "ACE Brand" tooth-brushes had been destroyed when he allowed the plaintiff company to use this mark on their tooth-brushes. The mark being unregistered, its purported assignment under the circumstances in which it took place, was of no legal effect and gave the plaintiff company no rights whatsoever in Singapore.

The plaintiffs rely on the purported assignment to them by Leung in 1968 of the "ACE Brand" mark registered in Hong Kong. Leung's Star Brush Manufacturing Co. had been using this mark on tooth-brushes manufactured in Hong Kong. The essential function of a trade mark is that it indicates the origin of the goods. The Star Brush Manufacturing Co. has never manufactured tooth-brushes in Singapore. In 1968 when the mark was assigned to the plaintiffs it could only be assigned for use on tooth-brushes manufactured in Hong Kong. Therefore the assignment, even if it was a valid one, did not give the plaintiffs a right to use the "ACE Brand" mark on tooth-brushes to be manufactured in Singapore. It did not give them any proprietary rights in Singapore. The "ACE Brand" mark means or indicates in Singapore a tooth-brush manufactured in Hong Kong. The plaintiffs have not claimed that they intend to resume the manufacture in Hong Kong of "ACE Brand" tooth-brushes for export to Singapore. There has been no such business since 1965 and there is no evidence that it is going to be resumed.

The court exercises its jurisdiction for the protection of goodwill of a trader and it does not interfere to protect a non trader such as the plaintiff company which has no trade or business in Singapore since 1965. The doctrine of passing-off has no application except as between rival traders. This is clear from the judgment of Evershed M.R. in *Reuter Co. Ltd.* v. *Mulhens, supra*, at page 253: —

"Still I do not think that the defendant is entitled to succeed in his claim for passing-off. He is conducting in England no business, selling there no goods. As it seems to me, he has not in this country any proprietary right which he is entitled to protect. Proof of the facts, as I have assumed them, does not create or give him such a right.

....

In the case of a trade mark, whether registered or unregistered, the proprietary right is no doubt sufficient to support an action to exclude. Nevertheless, I cannot think that, at any rate in the absence of some very special circumstances, a person who is not trading in this country and has in this country no proprietary interest in a name or mark can be said to have 'the exclusive right' contemplated by section 22(4) because of the goodwill he possesses in another country."

The plaintiff company, not having evinced any intention of manufacturing "ACE Brand" tooth-brushes in Hong Kong for export to Singapore and not having, at present, any trade in such tooth-brushes in Singapore, cannot, under the circumstances, succeed in a claim for passing-off against the defendant or any other person because they have no trade which is being injured or going to be injured by the conduct of the defendant. The fact that the plaintiff company has no trade in tooth-brushes in Singapore is absolutely fatal for its success in this action. As already stated, the basis of the proceedings in a passing-off action is the protection of rights of property affecting the plaintiff's trade. There is no right of action where, as in this case, there is no interference with the plaintiff's trade.

Counsel for the plaintiffs submitted that the plaintiffs were entitled to the relief which they are seeking because they are closely associated with the Star Plastics Industrial Co. (Pte.) Ltd. of Singapore; that the plaintiffs have granted an informal licence to this Singapore company to use the "ACE Brand" on tooth-brushes manufactured by it for sale in Singapore and that the plaintiff company maintains full control over the products to which the "ACE Brand" labels are applied. However, he conceded that there has been no assignment or transfer of goodwill from the plaintiff company to the Star Plastics Industrial Co. (Pte.) Ltd. In my opinion, this submission is entirely without merit. Such a proposition has no foundation in law and is contrary to the doctrine of separate legal personality of incorporated bodies. No matter how closely the plaintiff company is associated with the Star Plastics Industrial Co. (Pte.) Ltd., the fact remains that the plaintiff company is not, in the eyes of the law, carrying on any trade in tooth-brushes in Singapore.

In the final analysis, the evidence, the surrounding circumstances and also the submissions of counsel for

the plaintiffs, indicate quite clearly that the real grievance of the plaintiffs is that the defendant is infringing the "ACE Brand" trade mark of which they claim to be the proprietors by virtue of its assignment to them by Leung, its registered owner. This action is therefore, in substance, an action to restrain the infringment of a trade mark and not a passing-off action as claimed by the plaintiffs. As the trade mark in question is unregistered in Singapore, the action fails under section 49 of the Act.

For the above reasons, the claim of the plaintiffs fails and is dismissed with costs. The defendant is entitled to remain on the Register as proprietor of the "AGE" trade mark. The motion by the plaintiffs in Originating Motion No. 2 of 1971 for an order that the defendant's trade mark be expunged from the Register is dismissed with costs.

[From the above decision the plaintiffs appealed to the Court of Appeal. (Civil Appeal No. 15 of 1973). On March 25, 1974 the following judgment was delivered:]

Chua J. (delivering the judgment of the Court): This appeal arises from an action in which a Hong Kong Company named Star Industrial Company Ltd. (the appellants in this appeal) were plaintiffs and a Singapore merchant trading as New Star Industrial Co. (the respondent in this appeal) was defendant. The appellants brought an action to restrain the respondent from passing-off tooth-brushes not of the manufacture of the appellants as and for the toothbrushes of the appellants by the use of a get up similar to that of the appellants "ACE" brand tooth-brushes.

At the conclusion of the hearing we dismissed the appeal indicating that we would give our reasons at a later date. We now proceed to do so.

The facts are shortly these. In 1953 one J. H. Leung residing in Hongkong and trading there under the name of "Star Brush Manufacturing Co." started manufacturing in Hongkong tooth-brushes which were packed in packets which were divided diagonally into two parts, the top part consisting of white transparent cellophane paper and the bottom half of plain hard paper with a silver background with the words "ACE BRAND TOOTH BRUSH" together with the symbol of the letter "A" enclosed within a red circle embossed thereon (hereinafter referred as "ACE brand tooth-brushes"). These tooth-brushes were first imported into Singapore in 1953 and they were mostly for re-export to Indonesia and the other surrounding territories and there were some local sales as well.

In May, 1961, the appellant company was incorporated in Hongkong and having their registered office there. Leung was the major shareholder of the appellant company and the managing director. In 1961 the appellant company took over the manufacture of the ACE brand tooth-brushes which they exported to Singapore and Leung's Star Brush Manufacturing Co. ceased manufacturing such tooth-brushes. Leung, however, did not assign to the appellant company the goodwill of his business or his goodwill in ACE brand tooth-brushes and the tooth-brushes manufactured by the appellant company continued to be packed and exported in packets labelled "Star Brush Manufacturing Co.".

In 1963 the "ACE" brand mark was registered as a trade-mark in Hongkong, not by the appellant company which was then using this mark on tooth-brushes manufactured by them, but by the Star Brush Manufacturing Co. of which Leung was still the sole proprietor and which no longer manufactured any tooth-brushes.

In October, 1965, the Singapore Government imposed a tariff of 15 cents per tooth-brush on all tooth-brushes imported into Singapore with the result that the Singapore dealers stopped importing ACE brand tooth-brushes from Hongkong as they could not be sold with profit and the appellant company stopped exporting their tooth-brushes to Singapore.

In 1968 the appellant company entered into negotiations with some merchants in Singapore with the view of starting a joint venture in Singapore for manufacturing the ACE brand tooth-brushes. As a result the Star Plastics Industrial Co. (Pte.) Ltd. was incorporated in Singapore.

The appellant company persuaded Leung to assign to them the "ACE" brand trademark registered in Hongkong which Leung did in 1968 gratis.

In 1968 the respondent, who was originally trading as Yap Trading Co., changed the name of his business to that of "New Star Industrial Co." and started manufacturing tooth-brushes in a packing and get-up which is strikingly similar to the packing and get-up of the ACE brand toothbrushes which he sold under the brand name of "AGE" which he registered as a trademark with the Registry of Trade Marks in Singapore.

In 1969 the Star Plastics Industrial Co. (Pte.) Ltd. started manufacturing in Singapore the ACE brand tooth-brushes and on December 3, 1969, they applied to the Registrar of Trade Marks in Singapore for the registration of the "ACE" brand mark. The Registrar objected to the registration of the "ACE" brand mark because of the prior registration of the "AGE" trade mark by the respondent. The Registrar took the view that the registered mark "AGE" was likely to be infringed by the "ACE" brand mark and he refused its registration.

Nothing happened for about a year and then in 1971 the appellants commenced this action claiming that the respondent was passing-off his tooth-brushes as the tooth-brushes of the appellants. They also commenced Originating Motion No. 2 of 1971 wherein they claimed rectification of the Register of Trade Marks and the removal of the respondent's trademark from the register. Both these proceedings were consolidated.

The High Court dismissed the appellants' claim with costs. The appellants' Motion for an order that the respondent's trademark be expunged from the register was also dismissed with costs.

The appellants' appeal is only against the judgment of the court dismissing the action.

From this brief outline of the facts which were never in dispute it is clear that from 1961 Star Brush Manufacturing Co., of which Leung then was and continued to remain the sole proprietor, ceased manufacturing and ceased exporting to Singapore ACE brand tooth-brushes. It is also clear that any goodwill or proprietary right in Singapore that Leung, as such sole proprietor, had in tooth-brushes bearing the ACE brand mark and get-up, was never assigned by Leung to the appellants. It follows, in our view, that when the appellants from 1961 started manufacturing and exporting to Singapore until 1965 tooth-brushes bearing the ACE brand mark and get-up in packets labelled "Star Brush Manufacturing Co." and not labelled under their own name, albeit presumably with Leung's implied permission, the appellants could not, on any view, have acquired a right of property in Singapore by 1965 in respect of the tooth-brushes they exported from Hongkong on which to found an action for passing-off against someone who subsequently manufactures and sells in Singapore tooth-brushes packed in a get-up deceptively similar thereto.

Furthermore, we are of the view, where on the undisputed facts the appellants had ceased exporting to Singapore their ACE brand toothbrushes from 1965 right up to the time of the Writ in this action, that the appellants' claim fails in limine. The nature of the right which the law protects in a passing-off action is a right of property in the goodwill or business likely to be injured by the alleged misrepresentation (see Lord Parker in *Spalding Bros.* v. *A.W. Gamage Ltd.*[2] On the undisputed facts, the appellants at the time of the Writ were conducting in Singapore no business and selling no toothbrushes bearing the ACE brand mark and get-up and in our opinion they have not proved that they have in Singapore any proprietary right which they are entitled to protect.

For these reasons we were of the opinion that the trial judge was right in dismissing the appellants' claim and accordingly we dismissed the appeal.

[*The appellants appealed from the above judgment to the Privy Council. The judgment of the Privy Council was delivered by Lord Diplock.*]

Lord Diplock (delivering the judgment of the Board): The point of law determinative of this appeal from a judgment of the Court of Appeal of Singapore is a short one.

The appellant, Star Industrial Company Ltd. ("the Hong Kong Company") is incorporated in Hong Kong; all its shares are owned by J. H. Leung. Some time in 1961 or 1962 the Hong Kong Company took over from J. H. Leung the business previously carried on in that colony by him under the name of "Star Brush Manufacturing Company". The business included the manufacture of plastic tooth-brushes packed for sale in boxes with a characteristic get-up of which a prominent feature were the words "ACE BRAND" and the device of a capital A enclosed in a red circle, known as "the Red A".

Between 1953 and 1965 substantial quantities of tooth-brushes in this get-up were sold by J. H. Leung and later by the Hong Kong Company in Hong Kong for export to Singapore. At that time Singapore was a free port and the greater part of these consignments were re-exported to Malaysia or Indonesia. A small proportion, however, was marketed through retail outlets in Singapore itself. The trial judge (Choor Singh J.) found the evidence about the quantities marketed in Singapore unsatisfactory but, for the purposes of this appeal, their Lordships are prepared to draw an inference from the subsequent conduct of the respondent, Yap Kwee Kor, that by 1965 sufficient had been sold in Singapore itself to establish there a reputation and goodwill associated with the get-up under which the tooth-brushes were sold. The Hong Kong company, however, did not register the characteristic get-up of its goods or any part of it as a trade mark in Singapore.

In October 1965 the Government of Singapore imposed an import duty upon tooth-brushes. This brought to an end that part of the Hong Kong company's business which consisted of manufacturing tooth-brushes for export to Singapore either for sale there or for re-export to other countries. There are concurrent findings of fact by the trial judge and the Court of Appeal that no tooth-brushes of the Hong Kong company's manufacture were exported to Singapore after October 1965.

In 1968 the respondent, who had been manufacturing tooth-brushes in Singapore since 1966, changed the business name under which he was trading to "New Star Industrial Company" and adopted for his products a get-up indistinguishable from that formerly used by the Hong Kong company except that the letter C in ACE was replaced by the letter G. The inference is irresistible that he at least considered that the reputation of the Hong Kong company's products retained sufficient value in 1968 to make it worth his while to appropriate the benefit of it to himself.

It was not until February 9, 1971 that the Hong Kong company started the proceedings that are the subject of the instant appeal. By writ of summons issued on that date it claimed an injunction restraining the respondent from passing-off his tooth-brushes as being tooth-brushes of the Hong Kong company's own manufacture and an inquiry as to damages. There are, however, concurrent findings of fact by the trial judge and the Court of Appeal: that, at the time the writ was issued, the Hong Kong company who is the sole plaintiff was not itself carrying on any business in Singapore; that it had not, since the imposition of the import duty more than five years before, manufactured any tooth-brushes for export to Singapore; and that it had no intention of itself resuming this part of its former trade.

The Hong Kong company's claim in the action was based on passing-off alone. In their Lordships' view these concurrent findings of fact are fatal to this claim. They do not find it necessary to go into any of the alternative grounds upon which the trial judge or the Court of Appeal would have been prepared to dismiss the appellant's action.

Whatever doubts there may have previously been as to the legal nature of the rights which were entitled to protection by an action for "passing-off" in courts of law or equity, these were laid to rest more than sixty

years ago by the speech of Lord Parker of Waddington in *A. G. Spalding & Bros.* v. *A. W. Gamage Ltd.*[2] ("the Gamage Case") with which the other members of the House of Lords agreed. A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. (See: *Inland Revenue Commissioners* v. *Muller & Co.'s Margarine Ltd.*,[6] per Lord Macnaghten at page 224; per Lord Lindley at page 235.) Once the Hong Kong company had abandoned that part of its former business that consisted in manufacturing tooth-brushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country.

What the Hong Kong company had in fact done after the imposition of the import duty had made it commercially impracticable for its tooth-brushes to be exported to Singapore, was to join in setting up a new company incorporated in Singapore, Star Plastics Industrial Co. (Private) Ltd. ("the Singapore Company") of which the capital was held, as to half, by the Hong Kong company and, as to the other half, by two existing Singapore companies in which the Hong Kong company had no financial interest.

The agreement to set up the Singapore company was entered into on August 22, 1968. The main object of the Singapore company was to manufacture plastic products in factories in Singapore. It was to use moulds made by the Hong Kong company, and sold or let on hire to it, to receive full technical assistance from the Hong Kong company and to "be allowed to use the Red 'A' trade mark in Singapore and other markets free of rent or royalties for the period of 10 years with priority for renewal." For technical assistance and services in connection with moulds the Hong Kong company was to receive a royalty of 3% on the total sales of the Singapore company.

The reference in this agreement to "the Red 'A' trade mark" can only have been to the unregistered mark or get-up which was used in connection with tooth-brushes of the Hong Kong company's manufacture that had been exported to Singapore before October 1965, though it had never been registered there as a trade mark. It is conceded on behalf of the Hong Kong company that the right of user of the unregistered mark or get-up intended to be conferred upon the Singapore company was exclusive; the Hong Kong company could no longer use it itself in relation to goods to be sold, or otherwise traded in, in Singapore.

At common law this right of user of the mark or get-up in Singapore was incapable of being assigned except with the goodwill of that part of the business of the Hong Kong company in connection with which it had previously been used. So, if despite the temporary cesser of the Hong Kong company's business in Singapore after the import duty on tooth-brushes had been imposed in 1965, it still retained — as well it might (cf. *Mouson & Co.* v. *Boehm*[11]) — a residue of goodwill capable of being revived in 1968, any right of property in that goodwill would have passed to the Singapore company under the agreement. The Singapore company is not a party to these proceedings; and their Lordships express no view as to what rights, if any, it would have been entitled to enforce against the respondent if it had been the plaintiff in a passing-off action brought against him.

Their Lordships mention this, however, because the burden of the appellant's argument before the Board has been that the common law *ought* to provide the Hong Kong company itself with a remedy against the respondent for the financial loss which it will sustain in the form of reduced dividends and royalties receivable from the Singapore company, as a result of the respondent's piracy of the mark or get-up. The argument has been put in alternative ways.

The first is that the case of *Warwick Tyre Company Ltd.* v. *New Motor and General Rubber Co. Ltd.*[12] is authority for the proposition that at common law a person who, in a business carried on by him, has used an unregistered mark or get-up to which goodwill has become attached, thereby acquires a property in the mark or get-up which he may exploit by conferring for reward upon some other person the right to use the mark or get-up in his own business; and that this method of exploitation of the mark or get-up is entitled to protection at common law in an action at his suit for passing-off, notwithstanding that he himself has ceased to carry on the business in which the mark or get-up is used. In the *Warwick* case the mark "Warwick" had originally been used by the plaintiff company upon tyres which it manufactured and sold itself. At the time when it brought a passing-off action to restrain the use of the mark by a third party it had entered into an agreement with another company ("the Dunlop Company") under which tyres bearing the mark "Warwick" were manufactured and sold for it by the Dunlop Company. It is not possible from any of the three reports of the case to discover what were the terms of the agreement between the plaintiff company and the Dunlop Company, but from the language used by Neville J. in his judgment the inference is that the Dunlop Company had been appointed to act as selling agent for the plaintiff company for an agreed period. Whether upon the particular, but unknown, facts of the case the judge's decision in favour of the plaintiff company was right in law it is not now possible to say; but, in any event, the judge's reasoning is vitiated by the fact that it is based upon the assumption, later rejected by the House of Lords in the *Gamage* case, that what was entitled to protection by a passing-off action was a right of property in the mark itself — not a right of property in the business or goodwill in connection with which the mark was being used. In their Lordships' view the *Warwick* case cannot now be treated as authority in support of the appellant's argument.

The second way in which the argument has been put is that business practices in international trade have changed so much since the *Gamage* case was decided, that the time has come when the common law should be developed by their Lordships in such a way as would make available an action for passing-off in circumstances such as those in which the appellant finds itself in the instant appeal. The submission is, that the courts in the exercise of the judicial power should extend to the user of an unregistered mark or get-up proprietary rights similar to those which have been conferred by statute upon the registered proprietor of a registered trade mark. These, it is contended, should include (1) the right conferred by section 30 of the Trade Marks Act of Singapore (which substantially reproduces section 28 of the United Kingdom Trade Marks Act 1938) to permit the use of the registered trade mark by another person ("the registered user") where the owner maintains a sufficient degree of control over the permitted use and (2) the right conferred by section 42 of the Singapore Act (which reproduces section 22 of the United Kingdom Trade Marks Act 1938) to assign the registered trade mark otherwise than in connection with the goodwill of a business, provided that there would not subsist exclusive rights in more than one of the persons concerned to the use of the mark in relation to goods to be sold or otherwise traded in within Singapore.

These are rights which the Hong Kong company might have been able to exercise if it had registered the get-up of its goods in the Register of Trade Marks in Singapore; but that it was the intention of the Parliament in Singapore, as it was of Parliament in the United Kingdom, to confine these novel statutory rights to registered trade marks, is in their Lordships' view apparent from (a) the express provisions of section 42(3) of the Act which confine the right to assign unregistered trade marks, otherwise than in connection with the goodwill of a business, to unregistered marks which are assigned together with a registered trade mark used in the same business in relation to the same goods, (b) section 49 of the Act which provides that no person shall be entitled to institute any proceedings to prevent or recover damages for the infringement of an unregistered trade mark, and (c) section 53 which provides that nothing contained in the Act shall be deemed to affect rights of action against any person for passing-off his goods as those of another person or the remedies in respect thereof.

In view of this clear indication of the intention of Parliament, it is not in their Lordships' view open to a court to change the common law in the way in which they have been urged to do so by the appellant.

For these reasons their Lordships will dismiss the appeal with costs.

Appeal dismissed.

Solicitors: *Simmons & Simmons; Collyer-Bristow & Co.*

MOHAMED YASIN BIN HUSSIN v. PUBLIC PROSECUTOR

[Privy Council (Lord Diplock, Lord Kilbrandon and Lord Edmund-Davies) February 2, 1976]

[Privy Council Appeal No. 17 of 1975]

Criminal Law and Procedure — Causing death in course of committing rape — No intention to cause bodily injury sufficient in the ordinary course of nature to cause death — Act of accused in sitting forcibly on chest of deceased a rash act — Penal Code, ss. 299, 300 & 304A.

Penal Code, ss. 299, 300 & 304A.

In this case the appellant had been found guilty in the High Court in Singapore of the offence of murder under section 300 of the Penal Code. His appeal to the Court of Criminal Appeal was dismissed (see [1975] 1 M.L.J. 52). The facts in the case showed that the appellant and another person had gone into a hut at Pulau Ubin with the intention of committing robbery by night. In the course of the robbery the appellant had grabbed the deceased, thrown her to the ground and subsequently raped her. Medical evidence showed that the fatal injuries on the deceased consisted of fractures of the ribs in the front portion of the chest which had resulted in congestion of the lungs and cardiac arrest. The injuries were consistent with someone sitting with force on the chest of the deceased as she was lying on the floor on her back.

Held, allowing the appeal; (1) there was no evidence in this case to show that the appellant intended by sitting on the victim's chest to inflict upon her some internal, as distinct from mere superficial, injuries or temporary pain and therefore the appellant's conviction for murder must be set aside;

(2) for similar reasons a conviction for culpable homicide could not be substituted for the conviction, as intention on the part of the accused to inflict such bodily injury as is likely to cause death is a necessary ingredient of the offence;

(3) the act of the appellant in sitting forcibly on the chest of the deceased was a rash act within the meaning of section 304A of the Penal Code and the case will therefore be remitted to the Court of Criminal Appeal with a direction to convict the appellant of an offence under that section and to pass such sentence warranted by law for that offence as they think fit.

Case referred to:-

(1) *Virsa Singh* v. *State of Punjab* A.I.R. 1958 S.C. 465 at p. 467.

PRIVY COUNCIL APPEAL FROM SINGAPORE.

George Newman for the appellant.

Gerald Davies for the respondent.

Lord Diplock (delivering the judgment of the Board): The appellant was found guilty by the High Court of the offence of murder under section 300 of the Penal Code and was condemned to death. Murder was the only offence with which he had been charged. His appeal against his conviction was dismissed by the Court of Criminal Appeal. He now appeals against his conviction to the Judicial Committee of the Privy Council by special leave of this Board.

The only questions in this appeal are whether, upon the findings of fact made by the two judges of the High Court by whom the appellant was tried, the charge of murder under section 300 of the Penal Code was made out and, if it were not, whether upon those findings he should have been convicted of the offence of culpable homicide under section 299 or of causing death by a rash or negligent act under section 304A.

The relevant provisions of the Penal Code are in the following terms: